

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 94 – SB 764**

February 12, 2021

**SUMMARY OF BILL:** Requires, in certain workers' compensation disputes regarding an employer's refusal to provide medical care and treatment, medical services or benefits, in which the employee contends should have been provided by the employer pursuant to a workers' compensation settlement agreement, any subsequent dispute handled by a workers' compensation judge must govern such dispute based upon the preponderance of the evidence, as brought forth by the employee.

Authorizes employees to receive vocational recovery assistance from the Subsequent Injury and Vocational Recovery Fund (SIVRF), at an earlier time, based upon certain factors. Extends the current sunset date, from June 30, 2021 to June 30, 2025, after which date, an employee sustaining injuries will not be eligible for vocational recovery assistance from the SIVRF, as detailed in the subsection § 50-6-208(j), as amended by this legislation.

Authorizes workers' compensation judges to conduct judicial settlement conferences.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Exceeds \$1,000/FY21-22 and Subsequent Years/  
Subsequent Injury and Vocational Recovery Fund**

Assumptions:

- Currently, certain qualifying employees who have not returned to work or who have returned to work receiving wages or salary that is less than 100 percent of the employee's pre-injury wages or salary the injured employee received from the employee's pre-injury employer may apply for vocational recovery assistance from the SIVRF; however, such assistance from the fund cannot be provided to an eligible employee until the employee has claimed all compensation under the "original award."
- This legislation will allow eligible employees to seek vocational recovery assistance from the SIVRF, regardless of claiming total compensation from the original award, which in turn will expedite such payments from the SIVRF, which increases the likelihood that a greater award from the SIVRF will be claimed by eligible employees.
- This legislation could expedite the payment of certain vocational services listed in Tenn. Code Ann. § 50-6-208(j)(2).

- Based upon information provided by the Bureau of Workers' Compensation (Bureau), there were no expenditures for such vocational services in either FY18-19 or FY19-20; however, there has been a total disbursement from the SIVRF of \$1,995 in FY20-21 so far for scholarships.
- No other forms of vocational expenses have been incurred by the Bureau at this time.
- It is estimated that there will be an increase in the number of disbursements from the SIVRF for vocational services, expected to exceed \$1,000 per year.
- It is assumed that approximately 40 percent of this funding will return as revenue to the Department of Labor and Workforce Development (DLWD); approximately 40 percent will return as tuition revenue to the various higher education institutions; and that approximately 20 percent will return as revenue to the Department of Human Services (DHS).
- However, any monies which are received by the DLWD, the various higher education institutions, and the DHS will be expended for the provision of services and materials related to providing vocational assistance. As a result, and for the purpose of this fiscal note, it is assumed that revenue received by these entities will equal expenses incurred by these entities; thus, any net budgetary impacts to the DLWD, the various higher education institutions, and the DHS, will be not significant.
- The Department of Commerce and Insurance confirms the legislation will not have an operational or fiscal impact on the Department.

## **IMPACT TO COMMERCE:**

### **Increase Business Revenue – Exceeds \$500/FY21-22 and Subsequent Years**

### **Increase Business Expenses – Less than \$500/FY21-22 and Subsequent Years**

#### **Assumptions:**

- Vocational training assistance is authorized to cover various employment training, testing, and classes. It is reasonably estimated that 50 percent of funds paid from the SIVRF to recipients for vocational assistance will be utilized for acquiring vocational assistance from private entities.
- The increase in business revenue in FY21-22 is estimated to exceed \$500 (\$1,000 paid from SIVRF x 50.0%);
- These private entities are assumed to earn a profit from the provision of services. As a result, the increase in business expenditures for providing vocational assistance is estimated to be less than \$500 in FY21-22 and subsequent years.
- Providing additional vocational training assistance will result in a more skilled workforce in Tennessee.
- Any impact on the overall number of jobs in Tennessee will be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

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